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Environmental Protection Agency

Sustainable Development Challenge Grant Program; Notice

(FRL-6370-4)

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ENVIRONMENTAL PROTECTION AGENCY

[FRL-6370-4]

Sustainable Development Challenge Grant Program

AGENCY: Environmental Protection Agency (EPA).

ACTION: Solicitation of proposals for FY 1999/2000.

SUMMARY: The Environmental Protection Agency (EPA) is soliciting proposals for the combined FY 1999/2000 Sustainable Development Challenge Grant (SDCG) program, one of President Clinton's "high priority" actions described in the March 16, 1995 report, "Reinventing Environmental Regulation." EPA also is soliciting comments on the SDCG program's overall design. The EPA anticipates that approximately \$9.4 million will be available for the SDCG program in FY 1999/2000. This includes \$4.7 million already authorized by Congress for FY 1999 and an additional \$4.7 million requested for the program in the President's FY 2000 Budget Request and subject to Congressional authorization.

The SDCG program challenges communities to invest in a sustainable future that links environmental protection, economic prosperity and community well-being. It provides an opportunity to develop place-based approaches to problem solving that can be replicated in other communities. The SDCG program strongly encourages community members, business and government entities to work cooperatively to develop flexible, locally-oriented approaches that link place-based environmental management and quality of life activities with sustainable development and revitalization. These grants are intended to catalyze community-based projects

to promote environmentally and economically sustainable development; build partnerships which increase a community's capacity to take steps that will ensure the long-term health of ecosystems and humans, economic vitality, and community well-being; and leverage public and private investments to enhance environmental quality by enabling community efforts to continue beyond the period of EPA funding.

EPA will select projects on a competitive basis using the criteria outlined in the section titled "SDCG Program Criteria." Applicants may compete for funding from EPA in *two ranges* for FY 1999/2000: (1) requesting \$30,000 to \$100,000 with a total project budget of \$125,000 or less and (2) requesting between \$100,001 and \$250,000 with no limit on the total project budget amount. Proposals will compete with other proposals in the same range (i.e., a proposal for \$30,000-\$100,000 will not compete with a proposal requesting \$100,001-\$250,000). Applicants in each category are required to provide a minimum 20% match from non-federal funding sources.

This document includes the following: background information on the Sustainable Development Challenge Grant program; the process for preparing and submitting proposals; a description of the FY 1999/2000 program; the program's relationship to other related EPA activities; the SDCG Program Criteria; and the selection and award process.

DATES: The period for submission of proposals for FY 1999/2000 will begin upon publication of this Federal Register document. Project proposals must be postmarked by September 29, 1999 to be considered for funding.

SUBMISSION OF PROPOSALS: Please provide an original and four copies of your entire proposal to the regional representative listed below for the state in which your project will take place. Applicants applying for \$100,000 or less are only required to submit an original and one copy of the proposal. *Proposals must be postmarked no later than September 29, 1999 to be considered for funding.* Telefaxed or electronic submissions will not be accepted. An acknowledgment of receipt for your proposal will be sent by your respective EPA Regional Office. This should take a minimum of two weeks from the postmark date. We expect to announce final selections in April 2000 and to complete the full grant award process, including grant workplan negotiations with the appropriate EPA Region, by June 2000.

Preparing the SDCG Proposal: Proposals should not exceed eight (8) page sides (four double-sided pages, single or double-spaced). *Where proposals exceed the eight pages in length, the additional pages will not be considered.*

- Items 2 through 5 in the list below count towards the (8) page maximum. The only items *not included* in the eight (8) page maximum are the Summary Information Page (item 1) and the Mandatory Attachments described in item 6 (these are your Proof of Non-profit Status, and your Letters of Commitment from match partners).

- The new EPA Small Grants Policy states that any grant proposal requesting \$100,000 or less is *not required* to submit a proposal which exceeds five (5) page sides. These applicants may, however, submit up to the eight page limit if they so desire.
- Please do not use covers, binders or folders.
- Proposals should be submitted on 8 ½ x 11" recycled paper and be double-sided.
- Use no smaller than 10- point type and have one inch page margins all around.

The project proposal should contain the following in the given order:

(1) Summary Information Page (recommended length: 1 page) that provides:

A. Applicant Information

- Project title and location;
- Applicant name, address, telephone and fax numbers, and e-mail address;
- Type of applicant organization, e.g., non-profit, state, local government, Native American (American Indians and Alaskan Native Villages), or educational;
- Name of project contact, address, telephone and fax numbers, and e-mail address;
- Indicate if the project is being done in cooperation with or funded by another federal or EPA program; if so, please identify the program.
- Project category (see the section titled “List of Potential Project Categories” and choose those that apply; feel free to use a different category from those listed if it better describes your project).

B. Summary Budget Information

- Dollar Amount Requested from EPA
- Dollar Amount of Matching Funds
- Dollar Amount of Total Project Budget
- Match Percentage

C. Match Partner Information

- List of Organizations (including addresses) providing match
- Match Amount

The Summary Information page does not count against the eight page limit.

(2) Project Overview (Recommended page length: 1) Briefly address the following questions.

Your responses provide an overview of the proposed project and help reviewers understand the context of your proposal. You have the opportunity to expand on these questions when addressing the SDCG Program Criteria.

- What is the role of your organization in the community?
- Where will the activity occur and what is the geographic scale of the proposed activity (community, city, watershed, region, state-wide)?
- What are the goals and objectives of the project?
- What are the project's expected results and what vision do you have for the ultimate impact of activity (what do you expect to see change over time among

the people involved, the physical environment, and the environmental, economic or social conditions)?

(3) SDCG Program Criteria (Recommended page length: 3-4) Address the program criteria question-by-question. Include criteria subheadings (Sustainability, Community Commitment and Contribution, and Measurable Results and Evaluation) and use the question numbers to organize your responses. The specific criteria are found in the “SDCG Program Criteria” section.

Definitions of some of the key terms included in the criteria are provided at the end of this notice.

(4) Project Schedule and Time-Frame (Recommended page length: ½ page) Show when you expect to complete significant steps and milestones in your project. Clearly depict the project’s duration, and include months and dates. Use July 1, 2000 as the project start date (the exact date will be negotiated with EPA if your project is selected). One to three year project duration is permitted under the SDCG program. See the sample schedule below:

| | |
|---|--------------|
| Convene project team | Jul 1, 2000 |
| Complete Task 1 (include brief description of task) | Oct 30, 2000 |
| Complete Task 2 (include brief description of task) | Mar 15, 2001 |
| Complete Task 3 (include brief description of task) | Jun 1, 2001 |
| Complete final report | Jun 30, 2001 |

(5) Budget Detail (Recommended page length: ½ page) Be sure to review the section titled “Funding Ranges and Match” before preparing your budget. Prepare a proposed budget showing expected costs by major categories (personnel, travel, supplies, rent, subcontracts, etc.). This should include how the matching funds (i.e., funds provided from non-federal sources) will be spent, what the sources of those funds are, and whether the funds are cash, in-kind, or both. *Proposals that do not document a minimum 20% match via commitment letters will not be considered.* See the sample budget format provided below:

| | EPA Share | Matching Funds | Total |
|-----------------------------|-----------|----------------|----------|
| Staff Salaries and Benefits | \$33,000 | \$8,000 | |
| \$41,000 | | | |
| Travel | \$7,000 | \$0 | \$7,000 |
| Supplies | \$3,000 | \$1,000 | |
| \$4,000 | | | |
| Service Contract | \$5,000 | \$3,000 | |
| \$8,000 | | | |
| TOTALS: | \$48,000 | \$12,000 | \$60,000 |

| | | |
|-------------------------------|---------------------|-------------------|
| Break-Down of Matching Funds: | Your Organization | \$5,000 (in-kind) |
| | Cityville, USA | \$3,000 (cash) |
| | Cityville, USA | \$3,000 (in-kind) |
| | LocalBusiness, Inc. | \$1,000 (cash) |

TOTAL \$12,000

(6) Mandatory Attachments (These items do not count toward the page limit.)

A. Proof of Non-profit Status. All non-governmental applicants must attach articles of incorporation or other documentation demonstrating non-profit status. For more information, see the section titled “Eligible Applicants.” *Applications without this documentation will not be considered.*

B. Match Commitment Letters. Letters of commitment from ALL partners contributing matching funds (cash and/or in-kind) to the project *must* be submitted with your proposal, not sent separately or at a later date. Commitment letters from project partners *must specify* the nature of the match (cash or in-kind services), the dollar value of the match, and the role the contributor will play in the project. Project partners providing matching funds must certify that the funds will be available during the project period. Letters must be submitted on letterhead (if applicable), signed by an individual with authority to commit funds, and include the organization’s telephone number and address. Letters can be addressed to the appropriate EPA contact for your proposal or to the organization submitting the proposal. *Applications submitted without commitment letters confirming available match funds will not be considered.* Please do not send letters of general support from non-match partners or others; they *will not be used* in the evaluation and review process.

SUBMISSION OF COMMENTS: EPA also is requesting comments on the overall content and design of the FY 1999/2000 Program. Please send comments to Dr. Lynn Desautels at EPA Headquarters in Washington, DC via letter, fax, or e-mail (see “For Further Information” for specifics). Your comments will be used to help the agency make further improvements in the program in subsequent funding years. *Please submit your comments by December 1, 1999.*

FOR FURTHER INFORMATION: Contact the regional representative for your state or Dr. Lynn Desautels, Director, Sustainable Development Challenge Grant Program, Office of the Administrator, U.S. EPA (MC 1306), 401 M Street SW, Washington, D.C. 20460, telephone (202) 260-6812, fax (202) 260-2555, e-mail desautels.lynn@epa.gov.

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SUPPLEMENTARY INFORMATION:

Overview of the Sustainable Development Challenge Grant Approach

The Sustainable Development Challenge Grant (SDCG) program is an important opportunity for EPA to award competitive grants that leverage private and other public sector investment in communities (ranging in size from neighborhoods to cities to larger geographic areas such as watersheds or metropolitan areas). These grants will build partnerships that will increase the capacity of communities to ensure long-term environmental protection through the application of

sustainable development strategies. EPA intends these competitive grants to be catalysts that challenge communities to invest in a more sustainable future.

The program encourages communities to recognize and build upon the fundamental connection between environmental protection, economic prosperity and community well-being.

Accomplishing this linkage requires integrating environmental protection in policy and decision-making at all levels of government and throughout the economy. Achieving sustainability is a responsibility shared by environmental, community and economic interests.

The SDCG program recognizes the significant role that communities have and should play in environmental protection. The program acknowledges that sustainable development is often best designed and implemented at a community level and encourages projects that can be replicated in other communities. This emphasis on strong community involvement requires a commitment to ensuring that all residents of a community, of varying economic and social groups, have opportunities to participate in decision-making and benefit from successful sustainable development activities. Only through the combined efforts and collaboration of government, private organizations and individuals can our communities, regions, states, and nation achieve the benefits of sustainable development. In keeping with this philosophy, the EPA will implement this program consistent with the principles of Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations” (February 11, 1994). We encourage submissions from Empowerment Zones and Enterprise Communities.

The EPA initiated the SDCG program as a pilot effort in 1996 and has funded 96 of the 2,218 proposals received in the first three years of the program (FY96, 97, 98) for a total of approximately \$10,500,000. Project descriptions for all of the projects funded to date are available via the Internet at <http://www.epa.gov/ecocommunity> (see “List of Potential Project Categories” for further information).

Linkages to Other Initiatives

EPA and its state and local partners continue to refine how environmental protection is accomplished in the United States. The Agency recognizes that environmental progress will not be achieved solely by regulation. Innovative attitudes of regulatory agencies combined with individual, institutional, and corporate responsibility, commitment and stewardship will be needed to assure adequate protection of the earth’s resources. The Sustainable Development Challenge Grant program is consistent with other community-based efforts EPA has introduced, such as the Brownfields Initiative, Environmental Justice Small Grants Program, Project XL, the President’s American Heritage Rivers Initiative, the Watershed Protection Approach, the Clean Water Action Plan, Transportation Partners, the Smart Growth Network, and the Community-Based Environmental Protection Approach. The Sustainable Development Challenge Grant program is also a step in implementing “Agenda 21, the Global Plan of Action on Sustainable Development,” signed by the United States at the Earth Summit in Rio de Janeiro in 1992. All of these programs require broad community participation to identify and address environmental issues.

Through the Sustainable Development Challenge Grant program, EPA also intends to further the vision and goals of the President’s Council on Sustainable Development (PCSD), created in 1993 by President Clinton. EPA is coordinating existing urban environmental programs within the Agency and with other federal, state and local agencies. The President charged the Council, composed of corporate, government, and non-profit representatives, to find ways to “bring people together to meet the needs of the present without jeopardizing the future.” The Council has declared this vision:

“Our vision is of a life-sustaining Earth. We are committed to the achievement of a dignified, peaceful and equitable existence. We believe a sustainable United States will have a growing economy that equitably provides opportunities for satisfying livelihoods and a safe, healthy, high quality of life for current and future generations. Our nation will protect its environment, its natural resource base, and the functions and viability of natural systems on which all life depends.” (February 1996)

The Sustainable Development Challenge Grant program furthers this vision by encouraging community-based sustainable development initiatives.

Eligible Applicants

Eligible applicants include: (1) Incorporated non-profit (or not-for-profit) private agencies, institutions and organizations, and (2) public (state, county, regional or local) agencies,

institutions and organizations, including those of Native Americans (American Indians and Alaskan Native Villages), the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the U.S. Applicants must be located in, and project activities must be conducted within, the U.S., the Commonwealth of Puerto Rico, or a territory or possession of the U.S. While state agencies are eligible they are encouraged to work in partnership with community groups and other non-profit organizations. Federal agencies are not eligible for funding, however, they are also encouraged to work in partnership with state and local agencies and non-governmental organizations on these projects. Profit-making organizations and individuals are not eligible for funding; however, they are encouraged to participate in sustainability efforts in their community by becoming partners with eligible organizations.

Non-profit Status: Applicants are not required to have a formal Internal Revenue Service (IRS) non-profit designation, such as 501(c)(3) or 501(c)(4), however they must present their letter of incorporation documenting their non-profit or not-for-profit status. This requirement does not apply to public agencies. *Failure to enclose the letter of incorporation documenting an applicant's non-profit or not-for-profit status will result in an incomplete submission and the proposal will not be reviewed.* Applicants who do have an IRS 501(c)(4) designation are not eligible for grants if they engage in lobbying, no matter what the source of funding for the lobbying activity. No recipient may use grant funds for lobbying. Further, profit-makers are not eligible to receive sub-grants from eligible recipients, although they may receive contracts, subject to EPA's regulations on procurement under assistance agreements, 40 Code of Federal Regulations (CFR) 30.40 (for non-governmental recipients) and 40 CFR 31.36 (for governments).

SDCG Program Criteria

The proposed project must meet the two statutory threshold determinations described below in the *Statutory Authority* section. Then, proposals will be ranked according to how well they address and integrate the SDCG Program Criteria. Definitions of some of the key terms used in the criteria are included at the end of this notice. A higher ranking will be given to those proposals which clearly and comprehensively meet and integrate the greatest number of criteria, address serious environmental problems, and are likely to produce successful results.

Applicants should address each of the three criteria sections question-by-question. If a proposal does not address one or more criteria, the applicant must clearly state why these criteria were not addressed.

(A) Sustainability: 50 points

- A1.** How do the proposed project solutions integrate and sustain environmental protection, economic prosperity and community well-being at the community level and at the regional level?
- A2.** How does the proposal address the ways in which future generations are affected by the proposed project?
- A3.** What are the specific environmental, economic, and community problem(s) the proposal addresses and what are their significance?

- A4.** What type of sustainable behavior is desired, and what type of non-sustainable behavior needs to be changed?
- A5.** How do the environmental solutions proposed illustrate an ecosystem approach to environmental protection? An ecosystem approach is one that looks at a specific area and addresses the air, land, water, plants, animals, and people as an integrated and interconnected system.
- A6.** How do the proposal's environmental and economic impacts promote community well-being for all people in the community?
- A7.** How does the proposal assure that the project's activities do not exhaust or degrade the environment in your community or shift the problem to another community or another part of the environment?
- A8.** How do the environmental solutions proposed by the project lead to long-term economic vitality? For example, will the project lead to more sustainable use of natural resources, reduce consumption of non-renewable resources, create a more skilled and flexible labor force, and maximize local financial resources?
- A9.** How does the proposal represent new solutions for the community, given their previous history and current circumstances?

- A10.** How does the project build upon lessons learned from similar sustainable development projects conducted in your community or elsewhere?

(B) Community Commitment and Contribution: 25 points

- B1.** How do your partners fully represent those in the community who have an interest in or will be affected by the project?
- B2.** What methods will be used for community involvement to assure that all affected by the project are provided an opportunity to participate?
- B3.** Does the community have in place the legal and regulatory authority they need to implement the project?
- B4.** What evidence is there of long-term commitment to the proposal? Describe how you plan to continue the work after the grant ends or how this project will evolve into other efforts.

(C) Measurable Results and Evaluation: 25 points

- C1.** What are the achievable short-term (within three years) and long-term objectives that will be used to measure the proposal's contribution to sustainability? These objectives should be both quantitative and qualitative.

- C2.** For planning or visioning proposals: Once the plan or vision is developed, what next steps will be taken to ensure the plan or vision is implemented? How will the plan or vision's contribution be measured?
- C3.** How will you measure and evaluate how well the project meets its goals and objectives? Goal and objective measures should be both qualitative and quantitative, and should assess the project's contribution to sustainability.
- C4.** In what ways will the project be transferable to other communities and how will you transfer that information?

List of Potential Project Categories

EPA welcomes proposals for many types of demonstration projects under the SDCG program.

Those most likely to be chosen for funding will innovatively link solutions for significant environmental, economic and community issues and problems. Short descriptions of all previously funded SDCG projects can be found on the Internet at our web site:

“www.epa.gov/ecocommunity.” If you do not have Internet access, copies of these descriptions can be obtained from your regional representative or from our headquarters office (see section titled “For Further Information”). The list below illustrates some of the categories that best describe projects previously funded under this program. Projects often fall under more than one category. The list is not intended to be exhaustive, and proposed projects may fit into several categories or into new categories.

- comprehensive planning for sustainable growth
- comprehensive resource management and restoration (e.g. watershed restoration, habitat protection, wildlife corridors, greenways, wetlands, local environmental features, etc.)
- educational ecology or environment-based tourism supporting local communities
- green business incentives
- sustainability indicators
- sustainable agriculture
- sustainable forestry
- green building design
- community revitalization and redevelopment
- sustainability education
- community/local government tools for sustainability
- sustainable energy systems
- aquaculture
- materials reuse

Since the program seeks to fund innovative ideas, proposals that are repetitious of earlier funded projects must state how the proposal addresses new aspects of the problem or issue. Proposals focused on planning or visioning should clearly state goals and objectives and indicate the next steps for implementation. Projects do not have to fall into a single project type, but can incorporate aspects of several project types.

Funding Ranges and Match

Applicants may compete for funding from EPA in *two ranges* for FY 1999/2000: (1) requesting \$30,000 to \$100,000 with a *total project budget of \$125,000 or less*, and (2) requesting between \$100,001 and \$250,000 with *no limit on total project budget*. Proposals will compete with other proposals in the same range. Applicants in each category are required to demonstrate how they will meet the minimum 20% non-federal match. Applicants may submit multiple proposals, however, each proposal must be for a separate and distinct project. No organization may receive funding for more than one grant each year under the SDCG program, and projects awarded in any given year will be ineligible for future funding from this program. Applicants who have received funding under this program in the past are eligible to receive funds for new projects which are unrelated to the previously funded projects.

This program is intended to provide seed money to leverage a broader public and private investment in sustainability activities. As a result, the program requires a minimum non-federal match of at least 20% of the total project budget. The total budget includes (1) EPA's share, (2) funds identified as match, and (3) any other funds directly supporting the project. EPA strongly encourages applicants to leverage as much investment in community sustainability as possible. EPA views this leverage as a measure of community support and an indication of the possible longevity of the project. The match can come from a variety of public and private sources and can include in-kind goods and services. No federal funds, however, can be used as matching funds without specific statutory authority. The match must be calculated in accordance with the following example calculation:

(1) If you want to request \$100,000 from EPA, your match amount is not \$20,000. You calculate the amount of match you must provide by dividing the amount you are requesting by 80%. For example:

\$100,000 divided by .8 = \$125,000 (total project costs)

| | |
|-----------------------------------|-----------|
| (2) Amount Requested From US EPA: | \$100,000 |
| Your Match | + 25,000 |
| | ===== |
| Total Project Budget | \$125,000 |

These equations calculate the *minimum* match required. Your match must be at least 20% to be eligible for funding; fractions (e.g. 19.5%) will not be rounded up.

Note: Consistent with the provisions of the Omnibus Territories Act, as amended, 48 U.S.C. 1469a(d), the match requirement is waived for applications submitted by the governments of American Samoa, Guam, the Virgin Islands, or the Northern Mariana Islands.

In-Kind Contributions to Meet Your Match Requirement: In-kind contributions are non-cash contributions to a project. Volunteered services and donated supplies (use of equipment, office/meeting space, printing, etc.) used toward your match are called "in-kind contributions," which you are allowed to count toward the required match. Volunteered services may include a bookkeeper's maintenance of your group's financial records and preparation of required financial reports; an auditor's review of your group's financial records; a lawyer's aid in drafting a contract

for your technical advisor(s), etc. You must place a reasonable monetary value on your in-kind contributions and include them in your budget. You must be prepared to document in-kind contributions in your records. Rates for volunteer services must be consistent with rates in your community for similar services and may not include fringe benefits, overhead or profit. EPA can only provide funds for project costs that are allowable under EPA statutory authority. The funds that match partners contribute to a successful challenge grant can only be counted toward match if they are for costs which EPA can fund. If selected to receive an SDCG grant, applicants and their match partners are subject to audit to ensure that all costs are appropriate. If costs are ineligible or the grantee cannot properly document match dollars, the grantee would be liable for the disallowed costs.

FOIA, CBI, and Enforcement Screening: Applicants should be aware that proposals submitted under this or any other EPA grant program are subject to the Freedom of Information Act (FOIA). This means that anyone can request and receive copies of all the information submitted in your grant proposal. If your application contains any Confidential Business Information (CBI), be sure to highlight it so the confidentiality can be protected in the event of a FOIA request.

Finalists for challenge grant awards may be screened to ensure that the applicants and their match partners are in compliance with applicable EPA statutes.

Duration: Funded projects are expected to be structured for a period of one to three years.

What Costs Can Be Paid?

Even though a proposal may involve an eligible applicant, eligible activity, and eligible purpose, grant funds cannot necessarily pay for all of the costs which the recipient might incur in the course of carrying out the project. Allowable costs, including those paid for by matching funds, are determined by reference to EPA regulations cited below and to OMB Circulars A-122, “Cost Principles for Non-profit Organizations,” A-21 “Cost Principles for Education Institutions,” and A-87, “Cost Principles for State, Local, and Indian Tribal Governments.” Generally, costs which are allowable include salaries, equipment, supplies, training, rental of office space, etc., as long as these are “necessary and reasonable.” Entertainment costs are an example of unallowable costs.

Statutory Authority

EPA expects to award Sustainable Development Challenge Grants program under the following eight grant authorities: Clean Air Act section 103(b)(3); Clean Water Act section 104 (b)(3); Resource Conservation and Recovery Act section 8001; Toxics Substances Control Act section 10; Federal Insecticide, Fungicide, and Rodenticide Act section 20; Safe Drinking Water Act sections 1442(a) and (c); National Environmental Education Act, section 6; and Pollution Prevention Act, section 6605.

In addition to the program criteria listed in the SDCG Program Criteria section above, a proposal must meet the following two important threshold criteria to be considered for funding:

Threshold Criterion #1. A project must consist of *activities* authorized under one or more of the eight EPA grant authorities cited above. Most of the statutes authorize grants for the following activities: “*research, investigations, experiments, training, demonstrations, surveys and*

studies.” These *activities* relate generally to the gathering or transferring of information or advancing the state of knowledge. Grant proposals should emphasize this “learning” concept, as opposed to “fixing” an environmental problem via a well-established method. For example, a proposal to plant some trees in an economically depressed area in order to prevent erosion would probably not in itself fall within the statutory terms “research, studies, demonstrations,” etc., nor would a proposal to start a routine recycling program. The project’s activities must advance the state of knowledge or transfer information. The statutory term “demonstration” can encompass the first instance of the application of pollution control and prevention techniques, or an innovative application of a previously used method. The term “research” may include the application of established practices when they contribute to “learning” about an environmental concept or problem.

Threshold Criterion #2. In order to be funded, a project’s *focus* generally must be one that is specified in the statutes listed above. For most of the statutes, a project must address the causes, effects, extent, prevention, reduction, and elimination of air, water, or solid/hazardous waste pollution, or, in the case of grants under the Toxic Substances Control Act or the Federal Insecticide, Fungicide and Rodenticide Act, to “carrying out the purposes of the Act.” While the purpose of the SDCG program will include the other two aspects of sustainable development (economic prosperity and community well-being), the overarching concern or principal focus must be on the statutory purpose of the applicable grant authority, in most cases “to prevent or control pollution.” In light of this, proposals relating to other topics which are sometimes included within the term “environment” such as recreation, conservation, restoration, protection of wildlife habitats, etc., should describe the relationship of these topics to the statutorily required purpose of pollution prevention and/or control. For assistance in understanding

statutory authorities under which EPA is providing these grants, please contact your EPA representative listed earlier in this notice.

Selection and Award Process

EPA will select Sustainable Development Challenge Grant recipients for FY 1999/2000 through a national competition. EPA Regional Offices will assess how well the proposals meet the program criteria and forward their top proposals to EPA Headquarters for review by a national panel consisting of EPA Headquarters and Regional representatives. Proposals will be evaluated and final selections will be recommended by the national panel. The panel's recommendations will be presented to EPA Senior Management for final selection. In making these final selections such factors as geographic diversity, project diversity, costs, matching funds, and project transferability or replicability may be considered. We expect to announce final selections in April 2000 and to complete the full grant award process, including workplan negotiations with the appropriate EPA Region, by June 2000.

Although the selections will be made nationally, SDCG grants will be awarded and managed by the appropriate EPA Regional Offices. Applicants selected to receive SDCG grants will be contacted by the appropriate EPA Regional Office, and will be requested to submit a full grant application (i.e. Application for Domestic Federal Assistance). Your EPA Regional Contact will provide you with the information you need, and will be available to answer any questions.

Definitions

Sustainable Development: Sustainable development means integrating environmental protection and community and economic goals. **Sustainable development meets the needs of the present generation without compromising the ability of future generations to meet their own needs.** The sustainable development approach seeks to encourage broad-based community participation and public and private investment in decisions and activities that define a community's environmental and economic future and community well-being.

Community Well-being: In the sustainable development context, community well-being means understanding and considering the impacts of activity on the diversity of cultures, values, and traditions in a community and on the overall quality of life. It acknowledges both current and future generations. Community well-being means ensuring that all members of the community, regardless of ethnic or cultural group, age or income, have access to services provided through the sustainable development project, and that the benefits/burdens of the project are fairly distributed.

Community: The scale used to define “community” under this challenge grant program will vary with the issues, problems, or opportunities that an applicant intends to address. The SDCG program recognizes the significant role that communities have and should play in environmental protection. **“Community”** means a geographic area within which different groups and individuals share common interests related to their homes and businesses, their personal and professional lives, the surrounding natural landscape and environment, and the local or regional economy. A community can be one or more local governments, a neighborhood within a small or large city, a large metropolitan area, a small or large watershed, an airshed, tribal lands, ecosystems of various scales, or some other specific geographic area with which people identify.

Non-sustainable Behavior: Development, or land and water activities, management or uses, which limit the ability of humans and ecosystems to live sustainably by destroying or degrading ecological values and functions, diminishing the material quality of life, diverting economic benefits away from long-term community prosperity, and decreasing the long-term capacity for sustainability.

Pollution Prevention: Any practice that (1) reduces the amount of any hazardous substance, pollutant or contaminant entering any waste stream or released into the environment (including fugitive emissions) prior to recycling, treatment or disposal, and (2) reduces the hazards associated with such substances, pollutants or contaminants; and (3) other practices that reduce or eliminate the creation of pollutants through increased efficiency in the use of raw materials, energy, water or other resources; or (4) protection of natural resources by conservation.

Applicable Grant Regulations

40 CFR part 30 for other than state/local governments, for example, non-profit organizations (see 61 FR 6065 (Feb. 15, 1996)), and part 31 for state and local governments and Indian tribes.

Paperwork Reduction Act

The information collection provisions in this document for solicitation of proposals are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. in a generic Information Collection Request titled Generic Administrative

Requirements for Assistance Programs (ICR No. 938.06 and OMB Approval No. 2030-0020). A copy of the Information Collection Request (ICR No. 938.06) may be obtained from Sandy Farmer in the Regulatory Information Division, EPA, 401 M Street, S.W. (Mail Code 2137), Washington, DC 20460 or by calling (202) 260-2740.

Dated: June 25, 1999

Peter D. Robertson,

Acting Deputy Administrator.